

STAKEHOLDER ADVISORY COMMITTEE (SAC)
STAKEHOLDER FORUM
MINUTES OF MEETING

Location : Ballroom 1 & 2, Pullman Jakarta Thamrin Hotel
 Date, Time : Monday, 06 June 2022

Participants:

Academia	
1. Uka Wikarya (LPEM FEB-UI)	2. Naresworo Nugroho (IPB)
3. Intu Boedhihartono (UBC Vancouver)	
Associations	
1. Anisa Budi Utami (APKI)	2. Josephine Satyono (IGCN)
3. Rulita (KAHUTINDO)	4. Suwardi (HGI)
5. Petrus Gunarso (APHI)	6. Khoirul Anam (KAHUTINDO)
7. Jemmy Kartiwa (Asosiasi Pertekstilan Indonesia)	8. Budi Mulyanto (Himpunan Ilmu Tanah Indonesia)
9. Silverius Oscar Unggul (KADIN)	10. Ngakan Timur Antara (APKI)
11. Purwadi S (APHI)	12. Yaya W Junardy (IGCN)
13. Liana Bratasida (APKI)	14. Budi Indra Setiawan (HGI)
15. Erwin Widodo	16. Indah Budiani (IBCSD)
National Institution/Consultancy	
1. Sahat Aritonang (Daemeter)	2. Aisyah Sileuw (Daemeter)
3. Athia Yamna (SMERU Research Institute)	4. Iis Sabahudin (Gaia Eko Daya Buana)
5. Rian Sihombing (Gaia Eko Daya Buana)	
Customers	
1. Delson Soekamto (PT. Glory Indonesia Abadi)	2. Fernandez Susanto (PT. Sinar Kasih Hudmaim)
3. Benny (PT. Toba Permai Kencana)	4. Fuili (PT. Cinjoe Jaya Perkasa Muda)
5. Devina Soekamto (PT. Mitra Eka Persada)	6. Jason Iskandar (PT. Sinar Bintang Timra)
7. Felix Susanto (PT. Sinar Kasih Hudmaim)	8. Dedi (PT. Toba Permai Kencana)
International Organizations	
1. Rahmadha Akbar Syah (Kemitraan)	2. Nursamsu (WWF Indonesia)
3. Johan Kieft (UNEP)	4. Fajar Deniswara (Bureau Veritas)
5. Sania Widuri (IFCC)	6. M. Haqi Wibowo (IFCC)
7. Lillian Kalman (AJA Indonesia)	8. Christopher Murray (Bureau Veritas)
9. Dradjad Wibowo (PEFC)	10. Indira Nurtanti (Winrock International)
Financial Institution	
1. Alfanendya Safudi (Bank Mandiri)	2. Edy Iskandar (Bank Mega)
3. Raymond Tanuwibowo (BCA)	4. Heru Wirawan (BCA)
5. Elfadicko Metra (BRI)	6. Tegar (BRI)
7. Bisma Aryono (PT Orix Indonesia)	8. Handy (PT Orix Indonesia)
9. Erwin K (Bank Mandiri)	10. Andrey (Bank Mandiri)
Law Firm	
1. Armand Hasim (DSL A Law Firm)	2. Bima H (DSL A Law Firm)
3. Kris Silalahi (DSL A Law Firm)	4. Maurice Silalahi (DSL A Law Firm)
NGOs	
1. Abdul Halim (FKKM)	2. Andri Santosa (FKKM)
3. Kusnaldi (BIDARA)	4. Herry Purnomo (CIFOR)

5. Noviar Andayani (Wildlife Conservation Society)	6. Andrea Knox (Borneo Orangutan Survival Foundation)
7. Intan Ningsih (Proforest)	8. Ryan Arriandy (FFI Indonesia)
9. Hafizh Mulia (Preferred by Nature)	10. Jamartin Sihite (Borneo Orangutan Survival Foundation)
11. Ratih Loekito (YKAN)	12. Dino Prayoga (YKAN)
13. Dejan Lewis (Earthworm Foundation)	14. Yulia Hardini (Earthworm Foundation)
15. Bungaran Saragih (Borneo Orangutan Survival Foundation)	16. Zainuri Hasyim (Rainforest Alliance)
17. Aditya Bayunanda (WWF)	18. Ahmad Fahrudin (BIDARA)
19. Rizal Algamar (Tropical Forest Alliance)	20. Fitri Hasibuan (Yayasan Konservasi Indonesia)
21. Riana Andam Dewi (Borneo Orangutan Survival Foundation)	22. Zulfahmi (Eco Nusantara)
23. Gamma Galudra (The Center for People and Forests)	24. Yanti Triwadiantini (Partnership ID)
25. Dr. Ani Nawir (CIFOR)	26. Dr. Titiek Setyawati (Wildlife Conservation Society)
27. Kemal Soeriawidjaja (Partnership ID)	28. Ahmad Fahrudin (BIDARA)
SAC and KPMG PRI	
1. Jeffrey Sayer	2. Putera Parthama
3. Erna Witoelar	4. Neil Byron
5. Rodney Taylor	6. Chris Ridley-Thomas (KPMG PRI)
APRIL Representatives	
1. Sihol Aritonang	2. Lucita Jasmin
3. Dian Novarina	4. Craig R Tribolet

Opening Remarks – Putera Parthama (SAC Co-Chair)

- Expressed appreciation for and welcomed attendees to the first in-person SAC Stakeholder Forum since the pandemic in 2020
- Introduced SAC members and briefly explained that SAC is an independent body with an advisory role to APRIL especially on SFMP 2.0 implementation
- Briefly explained the agenda for the Forum which covered 1) 2022 SFMP 2.0 Assurance Process result by KPMG; and 2) APRIL 2030 progress update by APRIL

2022 SFMP Assurance Process Session – Chris Ridley-Thomas (KPMG PRI)

- Explained background of SFMP 2.0 assurance process as an annual audit of APRIL’s performance against its Sustainable Forest Management Policy (SFMP) since 2014.
- Mentioned the scope of assurance process which assessed APRIL’s performance across 34 indicators from SFMP 2.0 commitments for the period of 1 January – 31 December 2021
- Described the assurance process which involved seven field visits with combination of concessions in peatland and mineral soil representing two PT. RAPP concession, three Supply Partners’ concessions, one Open Market Supplier’s and one Community Forestry. KPMG also mentioned that community meetings and observers are postponed until COVID-19 risk are further reduced
- Presented summary of findings in 2022: no new non-conformance, three new good practices, and seven new opportunities for improvement (OFI).
- Highlighted key observations including no new development identified and progress in closing most of action plans from previous OFIs
- Acknowledged good practices from APRIL including the Contractor Safety Management System (CSMS), which is a critical point for APRIL and will help instill a safety culture
- Mentioned four out of six open action plans related to OFI from prior assessments have been closed with the two remaining related to implementation of a revised grievance SOP and development of broad plan to address rehabilitation of historic encroachment

Questions and Answers – Session I

Questions	Answers
<p>Prof. Herry Purnomo (CIFOR)</p> <ul style="list-style-type: none"> • Asked KPMG to further explain the grievance system and the trend on incoming grievances. • Enquired on action by APRIL to reduce the effect of COVID-19 to communities. • Asked if there are actions from APRIL to reduce its emission to align with government’s agenda. 	<p>Chris Ridley-Thomas (KPMG)</p> <ul style="list-style-type: none"> • Explained that grievance mechanism is being infrequently used by the local communities and other stakeholders at the corporate level (online) but there is higher engagement at the estate/concession level (offline). APRIL has the process to document offline grievances which is in the process of being fully implemented. Ideally APRIL should continue to formalize incoming grievances at the concession level to get a better understanding on the grievance trends. • For COVID-19 management, KPMG observed that APRIL has quite a good process in place especially during the assurance process to ensure risk was reduced from estate to estate. Additionally, there is a change in the nature of Community Development programs towards more alignment with A2030 which focus on education and health. • Expressed that globally the rules on how to manage, measure and monitor carbon

	<p>continue to evolve. Methodology is still changing. APRIL is monitoring these global trends along with the government policy developments on the matter.</p> <p>Sihol Aritonang (APRIL)</p> <ul style="list-style-type: none"> • Conveyed that APRIL was the first to dispatch 500 tons of liquid oxygen from its main operation in Riau to Java Island. APRIL also participated in an initiative led by Tanoto Foundation to provide 3,000 units of oxygen concentrates. Internally, APRIL controlled access to Kerinci town site area as well as implemented 3Ts (tracing, testing and treatment). APRIL also set up isolation facilities within APRIL compound for employees and established referral system to more advanced health facilities as needed. • For grievances, explained that APRIL is in the final stage of completing the roll out of a revised SOP to accommodate offline (direct submission) grievance at the estate/concession level.
<p>Aditya Bayunanda (WWF)</p> <ul style="list-style-type: none"> • Raised concern on how APRIL will obtain its additional fibre supply for its expanding mill capacity. 	<p>Chris Ridley-Thomas (KPMG)</p> <ul style="list-style-type: none"> • Explained that KPMG has created new indicators for fibre self-sufficiency and informed that a graphic showing APRIL's performance towards self-sufficiency is available in the report. KPMG mentioned at the moment APRIL is on track to meet its APRIL2030 target of increasing fibre productivity by 50% by 2030. <p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> • Clarified that APRIL continues to have zero tolerance for deforestation across its entire supply chain. • Emphasized that an annual due diligence is done on all suppliers to ensure compliance with SFMP 2.0. Additional wood supply for production expansion will be secured through productivity improvements which are being achieved through intensification, and land optimization in current production areas. She also mentioned that currently business growth is focusing on downstream diversification in viscose and paperboard, responding to the growing market demand for plastic substitution with bio-based products.

Prof. Bungaran Saragih (Borneo Orangutan Survival Foundation)

- Expressed appreciation for APRIL for its transparency through SAC Stakeholder Forum and its commitment of SFMP 2.0
- Enquired from KPMG observation about the impact to wildlife and how it is identified in the SFMP 2.0 implementation.
- Suggested there should be revision in SFMP 2.0 indicators to include an indicator on wildlife / biodiversity to sufficiently track the impacts.

Chris Ridley-Thomas (KPMG)

- Explained KPMG roles on SFMP 2.0 assurance include tracking the process is continuing, identifying that critical areas are conserved and areas targeted for rehabilitation, as well as assessing how conservation areas are being maintained. Overall, KPMG noticed significant progress on landscape level conservation outcomes.

Putera Parthama (SAC Co-Chair)

- Conveyed that indicators of SMFP 2.0 are the product of SAC, therefore SAC will review and provide recommendations where necessary and the input to include a wildlife indicator is duly noted.

Jeff Sayer (SAC Co-Chair)

- Thanked Prof. Bungaran for flagging the issue of an indicator for wildlife.
- Explained that a number of studies have been conducted in the area with FFI (Fauna & Flora International) and the Wildlife Conservation Society, along with researchers from universities in other parts of the world. SAC has been following the effort by trying to insist that any conserved areas are joined up to allow animals to move through the larger landscape where APRIL is operating, which was done in consultation with experts.
- Mentioned that APRIL has undertaken very detailed wildlife monitoring especially in the restoration area. Currently there are additional studies on amphibian and reptiles following earlier work on birds and tigers.
- Suggested improvement should be made by APRIL to bring the information of what has been done in a more coherent manner to the stakeholders.

Johan Kieft (UNEP)

Expressed interest to learn how APRIL is using scientific data to inform production activities on peatland particularly in the light of climate commitments.

Chris Ridley-Thomas (KPMG)

- Specifically for peatland management, the Independent Peat Expert Working Group (IPEWG) plays a key role in proposing peatland-related recommendations based on the latest science. KPMG's role is to review if the recommendations are reviewed and where appropriate implemented by APRIL.

	<p>Craig Tribolet (APRIL)</p> <ul style="list-style-type: none"> • Affirmed that the IPEWG is an independent group of scientist who advises APRIL on peatland management, including to review proposals related to its operations on peatland. • Emphasized that APRIL invests a lot in peatland science, including setting up GHG monitoring emissions towers in different land covers to understand the trends. IPEWG is a critical partner of APRIL to improve operational practices based on good science. Other important work by APRIL include peatland water management.
<p>Ani Nawir (CIFOR)</p> <ul style="list-style-type: none"> • Suggested there is a need to zoom out on overall landscape because APRIL is next to restoration area, national park and communities as her understanding that overall framework is based on landscape based assessment. • Questioned progress to date on social forestry work by APRIL and whether it is contributing to national targets? • Expressed her opinion that on gender issue, APRIL seems to be more about ‘counting heads’ as indicator of performance and nothing about impacts for communities. 	<p>Chris Ridley-Thomas (KPMG)</p> <ul style="list-style-type: none"> • Explained that there is increasing effort to consolidate data collection at a landscape level. An example is APRIL’s efforts to monitor biodiversity through the development of the Biodiversity Portal. • Explained that APRIL has made significant progress and noted that there have been inputs for several SFMP 2.0 indicators to be revised to better capture recent developments. This has been discussed with the SAC but the plan was delayed due to COVID-19. • Mentioned that information on gender is covered in the APRIL2030 commitments which will be assured as well. Information on action undertaken to address gender targets can be found in APRIL Sustainability Report.
<p>APRIL 2030 Progress Update – Lucita Jasmin (APRIL)</p>	
<ul style="list-style-type: none"> • Thanked SAC for providing the opportunity for APRIL to give an update on APRIL2030. • Thanked the audience for continued interest in and support for APRIL and its sustainability commitments. • Presented the RGE Environmental Social Governance (ESG) Framework which is implemented at the group level and which the Business Groups have translated into specific policies and commitments. Following APRIL’s launch of its 2030 agenda, Business Groups under RGE have since launched their 2030 commitments with key common principles including emission reduction, zero tolerance for deforestation and investing in technology for circularity incorporated in the commitments. • APRIL has secured sustainability linked loans from participating banks which are pegged to 3 key KPIs 1) Reduction of Scope 1 emissions; 2) Increase in % of renewable energy used in fiber operations; 3) Investment in conservation. Depending on APRIL’s audited performance against the KPIs, interest rates may increase or decrease. • Explained APRIL 2030 Commitment Pillars : <ul style="list-style-type: none"> ○ <u>Climate Positive: reported</u> progress on solar panel installation of 1 Megawatt completed in 2021 and the plan for another 10 Megawatts in 2022. APRIL also has doubled its 	

commitment to install solar panel installation of 50 Megawatt by 2030 as the current APRIL2030 commitment (25 Megawatt) will be achieved by 2023

- Thriving Landscapes: emphasized embedding investment in conservation to the business through the USD 1/fiber ton/year. Mentioned that APRIL is on track to increase mean annual increment to 22 tonnes in 2022 through improved silviculture, genetic improvement and better soil nutrition.
 - Mentioned briefly the Community Conservation Programs where APRIL are engaging directly with local communities to take part in forest conservation with performance-based incentive
 - Mentioned an example of APRIL support on Public Private Partnership (PPP) to support Indonesian government’s agenda in pushing significantly on forest restoration. The partnership involves the establishment of a tree nursery in Rumpin, Bogor backed by USD 2 million investment.
- Inclusive Progress: targets cover communities and gender empowerment. Highlighted bringing communities into the digital economy with APRIL partnering with Tanihub in providing training to farmers to sell the products on the online market
- Sustainable Growth: targets and highlights on chemical, water and alternative materials while mentioning APRIL has already managed to reduce by half the solid waste to landfill
- Invited input from the stakeholders as APRIL progresses on its commitments and mentioned the importance of collaboration and partnership to achieve APRIL 2030

Questions and Answers – Session II

Questions	Answers
<p>Petrus Gunarso (APHI)</p> <ul style="list-style-type: none"> • Enquired current status on 1:1 commitment • Concluded from the presentation that RGE Business Groups (including APRIL) have a broader view of impacts with 2030 commitments while APRIL’s SFMP 2.0 addresses the forestry activities on the ground. • Suggested to invite Ministry of Environment and Forestry to create understanding of the global expectations for private companies to contribute to addressing global issues as shown by APRIL. • Expressed his appreciation to RGE and APRIL for responding smartly to global demand through various initiatives. 	<p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> • Emphasized 1:1 commitment is still a very active target for APRIL and currently at 81% in progress for achievement. APRIL is actively seeking partnerships and exploring additional conservation and restoration areas to manage or support. • APRIL is now in the process of understanding and developing bioregion approach to support landscape-level efforts.
<p>Prof. Herry Purnomo (CIFOR)</p> <ul style="list-style-type: none"> • Congratulated APRIL for its APRIL2030 commitments. • Enquired on current emission of APRIL in 2021 as a baseline. • Suggested for APRIL to promote circularity through its products. • Asked confirmation on April position regarding carbon tax regulation. 	<p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> • Updated on APRIL’s paper recycling initiative called <i>APRIL Once More</i>. APRIL considering if it can be implemented in Indonesia. • Responded that APRIL’s baseline year for APRIL2030 targets is 2019. Mill intensity emissions baseline is 0.55 tCO₂e/product tonne. Emissions and removals from land use are still under review and APRIL has engaged with independent organisations to verify the baseline numbers.

	<p>Sihol Aritonang (APRIL)</p> <ul style="list-style-type: none"> Emphasized that APRIL supports government policy on carbon tax and continues to track its developments. Highlighted that APRIL does not consume much coal or fossil fuels, in fact 82% energy used in operation comes from renewable energy.
<p>Ratih Loekito (YKAN)</p> <ul style="list-style-type: none"> Asked for clarification whether the USD 10 - 15 million mentioned in the presentation (as potential value of \$1/fibre ton/year investment commitment in conservation) is part of the USD 100 million (for conservation and restoration announced in 2015). Enquired on the effect of APRIL's pilot program on green transportation - wood fibre to mill - to the SMEs providing the service to APRIL Enquired on baseline on water balance and the plan to reduce water consumption 	<p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> Explained that the target of \$1/ton of fibre supplied to the mill committed by APRIL is an extension, an increase, and a way to embed conservation commitments into the business. For green transportation, eventually it will include all transport system that brings log to the mill. In the meantime, the pilots are only applied to contractors directly managed by APRIL. Informed that the baseline for water, its consumption and targets which can be found on APRIL2030 website.
<p>Prof. Budi Mulyanto (Himpunan Ilmu Tanah Indonesia)</p> <ul style="list-style-type: none"> Asked further explanation on solar panel installation and APRIL's carbon emissions baseline as it relates to its net zero target. 	<p>Sihol Aritonang (APRIL)</p> <ul style="list-style-type: none"> Conveyed that the solar panel is installed in closed land fill. APRIL is the first company in Indonesia to be granted permission by the government to this. <p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> Explained that APRIL calculated its emission based on GHG protocol guidance. Through the Science Based Target initiatives (SBTi) further guidance is being developed on how to calculate emission for land sector. APRIL has done base calculations of its operational GHG which enabled APRIL to set its target but validation of the calculations will need to await completion of evolving global guidance on the topic.
<p>Budi Indra (HGI)</p> <ul style="list-style-type: none"> Asked APRIL to provide information on the range of the emission factor. Enquired the trend of emission factor change overtime. 	<p>Lucita Jasmin (APRIL)</p> <ul style="list-style-type: none"> Explained that APRIL follows IPCC Tier 1 emission factors and there is an intention to move towards Tier 3. However, APRIL is still completing the research to understand emission factors for land use and will need to complete that work for accurate information.
<p>Closing Remarks – Jeffrey Sayer (SAC Co-Chair)</p> <ul style="list-style-type: none"> Noted that this was the first face-to-face meeting after two years. Affirmed that the SAC will review the assurance indicators and make recommendations where needed including additional indicators on biodiversity, landscape and social issues. 	

- Touched on gender issue and emphasized that SAC is in agreement with stakeholders that it is more about the condition or impact instead of a number.
- Commented on APRIL's productivity increase and although it is quite ambitious, it also highlights a lot of room for APRIL in meeting its long term fibre sustainability.
- Thanked the participants for the contribution and ideas raised and assured them that SAC will take these seriously.